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Best Practices to Implement Business Intelligence in a Retail Firm.

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Abstract

Business Intelligence[BI] is an evolving technology that helps manage information. BI helps to convert Information to Knowledge which can be used to make effective and efficient business decisions. This will give the organization a competitive edge in the market. Retail Industry is a sector which would hugely benefit from BI due to the large amount of information flow in a retail industry. But the BI implementation failure rate is 50% which leads to a lot of resource,time and money waste. The goal of this paper would be to define a set of best practices that will suit the BI implementation in almost all organizations in the retail segment.

Keywords: Business Intelligence,Best practices, Retail Firm.

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Best Practices to Implement Business Intelligence in Retail Firm

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In the current scenario of the world, information has become an indispensable part of Business. This applies to all kinds of business from retailing to manufacturing, from banking to insurance, from telecommunication to rocket science. As the world starts to depend more and more on information, managing the information also becomes very important. Managing the information does not include only organized storage and accessing of data but also the transfer of information into knowledge to make effective and efficient business decisions. This is where Business Intelligence [BI] comes into picture. BI is a concept where we try to use large amount of information to predict future scenario and make decisions based on that. Almost 95% of the companies which implemented BI say that BI provided better quality information for making decisions [1].

The world is growing at a rapid pace that businesses no longer focus on today's market. Since planning for today's market and developing a product or taking a business decision based on that might become obsolete even before the product is produced or the business decision takes effect. This has made organizations focus on future market situation and make business decisions or develop products based on that.

BI provides organizations with the opportunity to foresee future clearly and almost accurately which aids them in making successful business decisions. It provides organizations with huge competitive advantage and helps them stay in the race. 85% of CIO's feel that Business Intelligence Applications will be the top priority in 2008 which clearly shows us the importance of BI for organizations [2].

Though there are so many advantages associated with BI, it is a concept that is still in its grass roots level. This is justified by more than 50% failure rate in BI implementation [3] [4]. Though BI will do wonders once an organization has implemented BI, there is very less or very unclear knowledge about the implementation strategies and methodologies which is the major reason for the failure rate. The implementation strategy varies from one organization to another based on the organizational needs, the infrastructure and business model.

One of the biggest industry segments that will be benefited the most from a BI implementation is the retail sector. Since so much of information flow is present in a retail industry, it maximizes the scope of BI. The goal of this paper would be to define a set of best practices that will suit the BI implementation in almost all organizations in the retail segment. This will help a clear understanding of what should be done and what should not be done before

a BI implementation in a retail organization. The retail industry does not function on its own. Its basic components are suppliers and customers. Since there are a lot of organizations (suppliers) and a lot of people who are tied within this retail industry, this paper will help the retail segment which in turn will help its suppliers and customers.

The research technique that is being used for this paper is a field study where an interview will be conducted to take a survey from the employees of the companies which tried BI implementation. The questions for the interview and survey will be from literature. This study is further analyzed with business intelligence experts to pick the best and the majority suggestions. This data will be further used to compare again with the literature and analyze the mistakes that were made in BI implementation previously to derive the best practices for BI implementation for Retail industry.

By this way, an assumption is made that the implementation failure rate would reduce drastically which will in turn reduce wastage of resources, reduce implementation cost, and will earn the organization more money after implementation.

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